

1 H.83

2 Introduced by Representative Noyes of Wolcott

3 Referred to Committee on

4 Date:

5 Subject: Taxation; income tax; credit; living organ and bone marrow donations

6 Statement of purpose of bill as introduced: This bill proposes to establish a
7 Vermont tax credit for individual taxpayers who donate an organ or bone
8 marrow. The individual credit would be up to \$10,000.00 for unreimbursed
9 medical, travel, and lodging expenses and lost wages related to the taxpayer's
10 donation. This bill further proposes to provide a tax credit for a Vermont
11 employer who grants an employee paid time off for purposes of donating an
12 organ or bone marrow to another human for transplantation. The employer
13 would receive a credit in an amount equal to 25 percent of the donor's gross
14 wages for up to 30 days of missed work due to each donation, not including
15 amounts paid to the employee for other forms of paid leave used, worker's
16 compensation, or disability insurance. The employer credit applies against the
17 employer's tax liability under the corporate income tax, personal income tax,
18 bank franchise tax, insurance premium tax, or captive insurance premium tax.

19 An act relating to tax credits for living organ donations

1 It is hereby enacted by the General Assembly of the State of Vermont:

2 Sec. 1. 32 V.S.A. chapter 151, subchapter 11O is added to read:

3 Subchapter 11O. Organ Donation Tax Credits

4 § 5930oo. ORGAN DONATION TAX CREDITS

5 (a) A donor shall be eligible for a refundable credit against the income tax
6 imposed under section 5822 of this title in an amount not to exceed \$10,000.00
7 for lost wages or unreimbursed expenses incurred by the donor in the taxable
8 year in which the donation occurs or in the taxable year immediately preceding
9 or immediately following the taxable year in which the donation occurs. In no
10 event shall the total amount of the credit under this subsection exceed
11 \$10,000.00 per donor.

12 (b) A qualified employer shall be eligible for a nonrefundable credit against
13 the tax imposed under section 5822, 5832, 5836, or 8551 of this title or 8
14 V.S.A. § 6014. The amount of the employer credit under this subsection shall
15 equal 25 percent of the gross wages paid to a donor employed by the employer
16 for a period of up to 30 days of missed work for each donation.

17 (c) Notwithstanding subdivision 5811(21) of this title and any other
18 provision of this title to the contrary, no deduction from income shall be
19 available to a donor for unreimbursed expenses or to a qualified employer for
20 gross wages paid that are used to claim a credit under this section.

21 (d) As used in this section:

1 (1) “Donor” means a Vermont resident or dependent of a Vermont
2 resident who, while living, donates one or more, or part, of the donor’s own
3 organs to another human for purposes of human organ transplantation.

4 (2) “Lost wages” means compensation that the donor did not receive due
5 to missing work for purposes of donating organs. “Lost wages” excludes
6 amounts paid or payable to the donor relating to the donation, including
7 amounts from the donor’s employer for paid leave or from an insurance policy.

8 (3) “Organ” means all or part of an individual’s liver, pancreas, kidney,
9 intestine, lung, or bone marrow.

10 (4) “Paid leave” means amounts paid to an employed donor as sick
11 leave, vacation leave, worker’s compensation, or disability benefits.

12 (5) “Qualified employer” means an employer that:

13 (A) is located within Vermont;

14 (B) is in good standing with respect to applicable registration, fee,
15 and filing requirements with the Secretary of State, the Department of Taxes,
16 and the Department of Labor; and

17 (C) pays an employee wages for some or all of the period of missed
18 work related to the employee’s organ donation.

19 (6) “Unreimbursed expenses” means medical, travel, and lodging
20 expenses incurred by the donor to the extent the expenses are reasonable in

1 amount, related to the donation or transplantation, and not reimbursed to the
2 donor by any source, including insurance.

3 (7) “Wages” means compensation paid to an employed donor by a
4 qualified employer during the period that the donor missed work for purposes
5 of donating organ or bone marrow. “Wages” excludes amounts paid or
6 payable to the donor from the qualified employer for paid time off used by the
7 donor.

8 Sec. 2. 32 V.S.A. § 5813(aa) is added to read:

9 (aa) The statutory purpose of the organ donation tax credits in chapter 151,
10 subchapter 11O of this title is to lessen the financial impact on individuals who
11 donate for transplantation and to encourage Vermont employers to grant paid
12 time off to employees who donate for transplantation.

13 Sec. 3. EFFECTIVE DATE

14 This act shall take effect on January 1, 2024 and shall apply to taxable years
15 beginning on and after January 1, 2024.